



Department of General Services Small Business Council

Executive Committee

September 13, 2005

Executive Committee Agenda

- Purpose
- Housekeeping
- Committee Membership
- Effective Meetings
- Committee Accomplishments
- Public Comment (as time permits;
may be limited to 3 minutes per person)



Department of General Services Small Business Council

September 13, 2005

The Department of General Services, Procurement Division

Visit www.pd.dgs.ca.gov/smbus - click on Small Business Council

Opening Remarks

by Rita Hamilton

- Themes for the Council are:
Access, Opportunity & Ownership
- Procurement Division Reorganization
- DGS and Office of Small Business & DVBE Services Update and Accomplishments
- Continued momentum on California Strategic Sourcing Initiative (CSSI)

Opening Remarks, continued

- Scheduled Meeting Dates
 - Friday, December 2, 2005
 - Possible dates in March:
 - **Friday, March 3,**
 - **Friday, March 10,**
 - **Friday, March 17,**
 - **Wednesday, March 22,**
 - **Friday, March 24 or**
 - **Friday, March 31**

SBC Meeting Agenda Highlights

- Chair: Welcome & Opening Remarks
- Introductions - All
- Housekeeping
- Approval of June 2005 Minutes
- DGS Update
- Strategic Sourcing Initiative Update
- Committee Reports
- Discussion Items
- Public Comment Period

Housekeeping

- Sign In Sheet (optional per Bagley-Keene Open Meeting Act)
- Emergency evacuation information
- Messages - **OSDS (916) 375-4940**
- Cell Phone Courtesy
- Rest Rooms -- Breaks – Smoking Policy
- Handouts (materials on the Web site at www.pd.dgs.ca.gov/smbus by Sept. 19)
- Public Comment allowed for each discussion item and at end. The Council will not comment.
- Approval of Minutes of June 2005 Meeting ⁷

DGS Update

- Accomplishments since June meeting:
 - SB Advocate, Office of the Governor
 - Executive Order – resubmitted
 - Informal bids threshold (non-IT goods) raised from \$25,000 to \$50,000 (9/1/05)
 - New draft SB application – comments! (See handout)
 - Annual Reports – on track!

Accomplishments, continued

- **SB Size Limit – recommending increase:**
 - **Small Business -- \$12 Million**
 - **Micro-business -- \$3 Million**
 - **Number of Employees – no change**
 - **See handout -- Comments?**

Accomplishments, continued

Enhanced Web Query (demo)

- Search by **status**: pending applicant or after certification decision (approved, denied/revoked or expired)
- Search for a **Certified Firm (or pool)** by:
 - **Certification type**: SB, MB or DVBE
 - **Business Type**: Service, Construction, Manufacturer or Non-manufacturer
 - **Keywords**
 - **Business Location** – City or Zip Code
 - **Service Area**: Statewide, All or use map
 - **Standard Industrial Classification (SIC) Code**
- Continue enhancing and we welcome suggestions for further improvement

Reduced Application Backlog

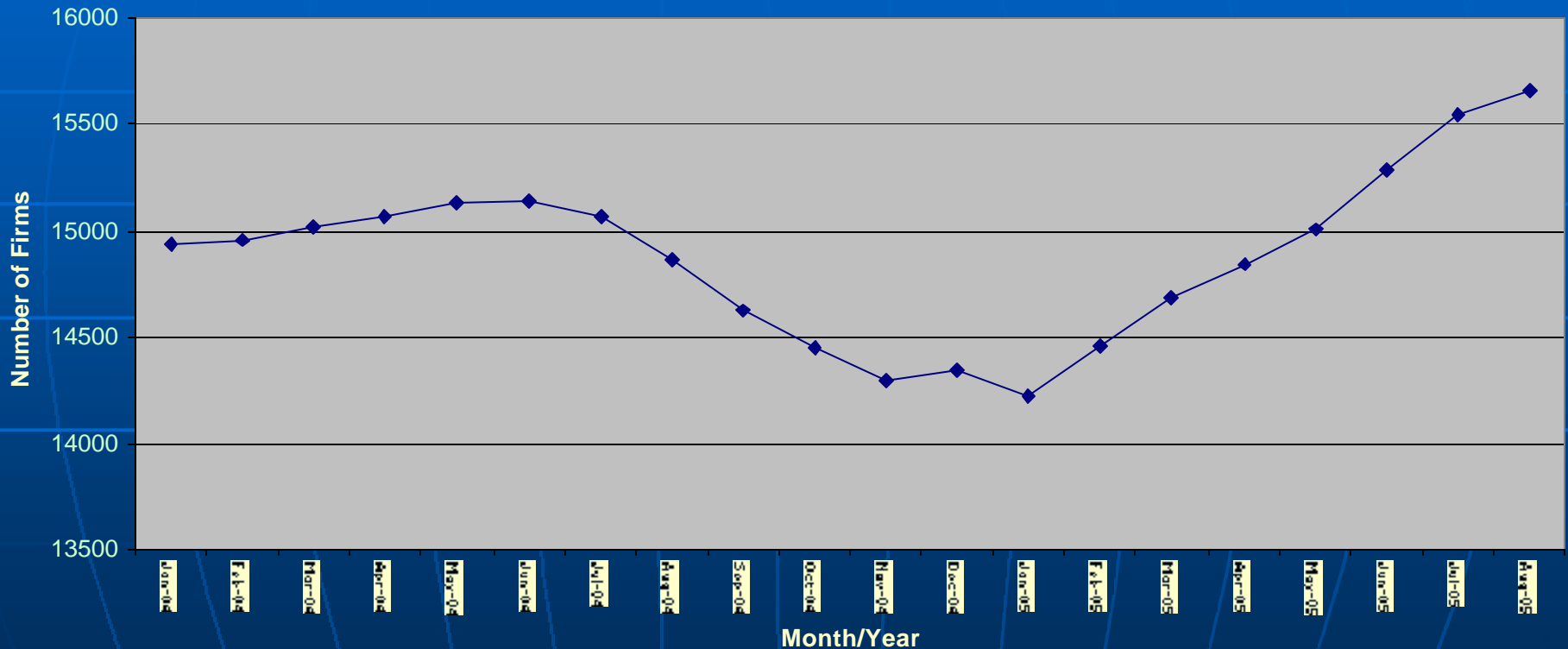
- Eliminated “pending” renewals;
- Try to renew if submit before expiration;
- Renewals receive priority processing; will extend if bid pending or renew ASAP
- SB application response down from **80 work days to 30**; reduced expedited certification requests
- DVBE renewals maintaining 30 days; more resources as Compliance finishes sanctions

Backlog Reduction, continued

- Increased “first time” reviews (all firms)
- Mail Log was **over 2 months** behind; now current within 1 week
- Automatic SB extensions will stop Oct. 1
- SB renewals increased in August (600); expect Oct – Feb to have over 1,000 renewals/month
- Fewer complaints; better customer service!

Accomplishments, continued

Certified Firms



Continued Record High Number of Certified Firms –
August ended with 15,657 firms!

Accomplishments, continued

- Upcoming State Agency Recognition Awards (SARA) on October 27th
 - Recognize 6 agencies for best practices that enhanced SB/DVBE participation
 - New: Advocate of the Year
 - New: Agencies most notable improvements in SB & DVBE participation
- CDVA initiated monthly Advocate meetings; group will work to update the Advocate Toolkit

Accomplishments, continued

- Regulatory Update: Mariel Dennis
 - Completed 2nd draft of DVBE regulations; will be shared with DVBE Council, State stakeholders for informal comments (on Web site at www.pd.dgs.ca.gov/smbus)
 - Nonprofit Veteran Services Agency (NVSA) to follow
 - Small Business Regulations - TBD

More Updates

- Legislative Update: Joyce Gibson
 - Bill Status (select bills DGS monitors)
 - Assembly Resolution 76 designates October 2005 as Microenterprise Development Month
 - Proposed Legislation:
 - **PD – Align sanctions and appeal processes in both SB/DVBE programs**
 - **RESD – Design/Build**



California Strategic Sourcing Initiative (CSSI) Update

Terese Butler

Recent CSSI Accomplishments

- Partnering Workshop for IT Goods – Servers held in July
- Continue to make progress in the Wave 1 Categories with Contracts Awards (over)

Note: The lists of approved SB and DVBE subcontractors on some CSSI contracts is subject to change based on DGS approval of implementation plans submitted by the prime contractors. Please see the CSSI Web site at www.dgs.ca.gov/stratsourcing for the latest CSSI contract information.

CSSI Current Contract Status

(As of September 8, 2005)

CSSI Category	Contract Award	Estimated Savings \$
Office Supplies –	Dec. 2004	\$9 Million
Pursuit Vehicles	Jan. 2005	\$100,000
Proprietary Pharmaceuticals	April 2005	\$900,000 to \$1 Million
IT Hardware – PC Goods	Sept. 2005	\$40 Million (over 2 years)
Office Equipment (Copiers & Services)	July 2005	\$25 Million (over 3 years)
IT Hardware – Enterprise data storage devices	Sept. 2005	\$50 Million (over 3 years)

Current Contract Status, cont'd.

(As of September 8, 2005)

CSSI Category	Contract Award	Estimated Savings \$
IT Hardware – Enterprise Servers	Sept. 2005	\$4.5 Million (over 3 years)
Wireless Equipment & Services	Sept. 2005	\$20 Million
IT Hardware – PC Servers	<i>Tentative</i> Sept. 2005	
Fleet Vehicles	Tentative Nov. 2005	
Maintenance, Repair & Operating (MRO) Supplies	To Be Determined	
Medical Related Goods – Prime Vendor	To Be Determined	
Medical Related Services – Hospital Services	TBD	
Medical Related Services – Temporary Staffing	Tentative award December	

Office Supplies

- Approved SB/DVBE Subcontractors
 - EXPOW Office Products, Napa (SB/DVBE)
 - River City Paper Co., Inc., Sacramento (SB)
 - New Century Imaging, Chatsworth (SB)
- SB Purchases*: \$137,819
- DVBE Purchases*: \$89,200

*** Jan – July 2005**

Copiers & Associated Services

- Prime Contractor: Sharp Electronics Corp.
- Award value: \$12,403,275
- Projected savings: \$8,483,391 (40.6%)
- SB Commitment: Subcontract at least 25% with multiple small businesses
- DVBE Participation: conducted Good Faith Effort
- Orders issued against old year estimates total \$2,165,275
 - **\$973,467 for equipment and**
 - **\$1,191,808 for maintenance**

Copiers – Approved SB Subcontractors

A2Z Business Systems, Brisbane, CA	Select Business Systems, Fresno, Visalia & Bakersfield
Alpine Business Equipment, Mt. Shasta, CA	Simple Office Solutions, Santa Rosa, CA
Capital Business Machines, Eureka, CA	Tozier's Office Products, Chico, CA
CPO Ltd., Santa Clara, CA	Tri-County Business Systems, Salinas, CA
Linnco Services, Brentwood, CA	Advanced Office Automation, Ventura, CA
Schoon Corporation, San Leandro, CA	C&D Solutions, Van Nuys, CA
Scott Tanner Business Equipment, Quincy, CA	Copy Link, Chula Vista, CA

NOTE: Sharp is continuing to add new subcontractors!

PC Goods – Contract Awards

- 7 contracts
 - **Total Value \$117 Million** (over 2 years)
 - **Est. savings: \$40 Million** (over 2 years)
- Includes:
 - **Desktop Computers - Value: \$53 Million**
2 contracts: Gateway & Team (HP, Western Blue & Insight)
 - **Notebook Computers - Value: \$22 Million**
2 contracts: IBM and Gateway
 - **Printers - Value: \$8 Million to Team**
 - **Monitors – Value: \$9 Million to Gateway**
 - **Peripherals – Value: \$25 Million to Team**
- Subcontractors for HP Team and Gateway →

Gateway Subcontractors

(from Non-SB Subcontracting Preference or Subcontractor List)

Small Business Name	Address
Capital Datacorp - SB	Sacramento, CA
Allied Network Solutions - SB	Roseville, CA
Granite Financial Solutions – SB/DVBE	Citrus Heights, CA
The State Store, Inc. - SB	Elk Grove, CA
Trinity Integrated Networks – SB/DVBE	Sacramento, CA
Eagles Heart Consulting – SB/DVBE	Roseville, CA
Folsom Technologies Group, Inc. - SB	Cordova, CA
Matrix Ingenuity, Inc. –SB/DVBE	Sacramento, CA

Gateway Subcontractors

(from Non-SB Subcontracting Preference or Subcontractor List)

Small Business Name	Address
Indusys Technology, Inc. - SB	San Jose, CA
Micro Controls - SB	Upland, CA
Impex Technologies, Inc. - SB	Torrance, CA
Jasnet Consulting, Inc. - SB	San Francisco, CA
Kelco Computing Solutions – SB/DVBE	San Francisco, CA
Engage Integrated Systems Technology – SB/DVBE	Sacramento, CA
Hoffman Technologies – DVBE	Rocklin, CA

HP-Western Blue-Insight

Subcontractors

(Non-SB Subcontracting Preference)

Subcontractor	Address
CA Small Biz Source (SB)	Sacramento, CA
CDSI (SB)	Sacramento, CA
Trinity Gov't Systems (SB/DVBE)	Sacramento, CA
Hammond Consulting (SB/DVBE)	Roseville, CA
Omnipro Systems (SB)	San Francisco, CA

IT Hardware – Enterprise Data Storage Devices

- Intent to Award issued Sept. 2, 2005
- 7 statewide contracts
- Total estimated savings: > \$50 million over 3 years
- Discounts of 15% - 96.6% off average prices previously paid
- Overall, estimated savings averaged 68% off previous average pricing
- Heaviest discounts: disk storage systems and storage area network (SAN) fabric.

Storage Devices, continued

Contract	Est. Value	Mftr.	Proposed Awardee
Disk Storage Systems (open environment & mainframe)	\$4.9 million combined	EMC	Northrop Grumman and Verizon
Storage Area Network (SAN) Fabric	\$1.2 million		Northrop Grumman
Tape Devices	\$15.6 million	HP	Team: Western Blue & System Technology Associates
Network-Attached Storage	\$490,000	Dell	Technology Integration Group

SB/DVBE Participation

Each firm agreed to subcontract at least 25% to certified California small businesses

Contract	Proposed Awardee	Proposed DVBE Subcontractors
Disk Storage Systems	Northrop Grumman	Hoffman Technologies, Inc.
Disk Storage Systems	Verizon	Met Good Faith Effort
SAN Fabric	Northrop Grumman	Hoffman Technologies, Inc.
Tape Devices	Western Blue & System Technology Associates	Hammond Consulting & Trinity Government Systems
Network-Attached Storage	Technology Integration Group	Applied Technology, Inc.

Wireless Equipment & Service Plans

- Intent to Award issued Sept. 8, 2005
- 2 statewide contracts:
 - **Verizon Wireless: primary provider of wireless phones (no walkie-talkie features)**
 - **Nextel: primary provider of walkie-talkie and wireless phones (with walkie-talkie features)**
- Total estimated savings: **\$20 million** over 2 years
- **38%** average cost reduction over existing contracts
- No SB/DVBE participation

Upcoming CSSI Event: MRO Contract

Maintenance, Repair and Operating (MRO)
Supplies eRFP

- **Industrial Supplies;**
- **Janitorial Supplies;**
- **Electrical Supplies;**
- **Tools;**
- **Heating, Ventilation, Air Conditioning (HVAC); and,**
- **Safety Supplies**

Note: This contract is for supplies – not services

MRO SB/DVBE Strategy

- Historically, MRO is a very active contracting category for SB and DVBEs
- The DGS is committed to the continued active participation of SBs and DVBEs in this category

MRO – Communication Plan

- CSSI has identified all vendors/suppliers in this category who have received contracts in the past
- These vendors/suppliers have been put into a database
- In addition, CSSI has identified all certified SB/DVBEs in MRO-related categories and included them in this master outreach database

MRO – Communication Plan, continued

- CSSI has prepared a 'heads-up' communication targeting the entirety of this supplier/vendor database.
- This communication encourages all suppliers/vendors to sign up for the California State Contracts Register (CSCR).
- CSSI will announce the release of the MRO eRFP via CSCR.
- Ten business days after the release of the eRFP, CSSI will conduct a Bidders' Conference and Partnering Workshop.

MRO – Communication Plan, continued

- Taking the Partnering Workshop to a new level with two additional workshops:
 - A workshop on how to accurately fill out all pricing worksheets found in the eRFP.
 - A workshop to assist bidders in meeting the DVBE requirement and submitting the small business preference, if appropriate.

MRO – Communication Plan, continued

- Desired Results:
 - To receive as many fully responsive bids as possible
 - To maintain the highest levels of SB/DVBE participation
 - To save the State of California, and its taxpayers, money

CSSI Contacts

Terese Butler, Project Manager
CA Strategic Sourcing Initiative
(916) 375-4328

CSSI Website: www.pd.dgs.ca.gov

CSSI Information Line: (866) 885-8344



Committee Updates

Committee: Commodities & Goods

Calvin Lucas, Chair

- Priorities:
 1. Access to decision-makers (including DGS Director); showcase successful firms who can share how they did it
 2. Length of time for contract awards excessive; establish standard?

Committee: Construction

Paul Guerrero, Chair

- Priorities:
 1. #29 – Fill the SB Advocate, Office of the Governor
 2. #15 – Set-asides
 3. #6 – Terms and Conditions
 4. #1 – Self-Certification (CPR GG 20)

Committee: Contracting & Procurement Processes

Elisabeth Brinton, Chair

- See IT Committee
- Update on Committee Progress

Committee: IT Goods & Services

Rob Porter, Chair

- Priorities:
 1. Access to buyers, CIOs
 2. Access to impartial, knowledgeable policy/disputes authority

Committee: Legislative

Betty Jo Tocolli, Chair

- Priorities:
 - Brainstorming List #12 – Size Standards
 - SBC assist agencies to meet 25% goal

Committee: Outreach

Randall Martinez, Chair

- Stewart McKenzie, CDVA
- Joy Rowan, CDVA
- Angela D'Ambrosio, CalPERS
- Mariel Dennis, DGS
- Lori Okamoto, DGS

Status Update on Previous Recommendations

1. Develop an electronic & hard copy announcement sent to all DGS certified SBs and DVBEs regarding make up of new Small Business Council, member profiles and contact information.

Encourage Key Word Search online enrollment and subscription to CSCR.

2. Develop a specific initiative to migrate all 15,000 certified firms to the CSCR in order to improve awareness of specific procurements (CSSI, CMAS, Master Agreements, etc.).

Consider an initial focused effort to the 800 member DVBE community (spearheaded by Veterans Affairs), and to the 250 SBs active with CalPERS.

Recommendations (Continued)

3. Regarding CSSI, emphasize the following:
 - **Message consistency**
 - **Insertion of outreach functions early in procurement process**
 - **Expand bid opportunity advertisements beyond CSCR to include the entire DGS certified SB and DVBE database.**
4. Develop a plan to proactively reach out to the Small Business Advocates
 - **Identify and train new advocates**
 - **Better provide resources and support to them.**

Outreach Committee, continued

- Priorities:
 1. Self-Certification (CPR GG 20)
 2. Reciprocity (CPR GG 21)
 3. Size Standards
 4. Vendor Fairs
 5. Improving database tool to find firms
 6. Financial Assistance

Committee: Personal Services

Betty Jo Tocolli, Chair

- Update on Committee Progress



LUNCH

On Your Own

Please be ready to resume at 1:00



Discussion Items

Public Comment Period to
Follow Each Item



Increasing Small Business Participation

Betty Jo Tocolli



Agency Success Story

SB/DVBE Advocate



Access, Opportunity & Ownership -- Accomplishments

Rita Hamilton

Access, Opportunity & Ownership

- Accomplishments
- Clarify Issues
- Committee Challenges/Opportunities
- See SB Council Issues Matrix



Office of Public School Construction Funds

Paul Guerrero



Small Business Size Standards

Paul Guerrero



Public Comment Period

(Time may be limited to 3 minutes per person)

The Council Will Not Comment



Closing/Adjournment

- Recap Actions
- Next meeting – Dec. 2
- Select March meeting date
- “Check Out” if time permits



Subcommittees May Meet Following the Council Meeting